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REGULATION

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1954

SUPPLY

MATERIAL DISPOSITION

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1. GENERAL

This Regulation provides for the handling of property considered to be unserviceable or excess to the needs of the immediate supply activity. It contains criteria for making such determinations as sets forth the procedures and authorities for the ultimate disposition of such property.

2. POLICY

- a. Supplies and equipment within the supply system shall be adequate at all times with respect to quantity, condition, location, and suitability to meet the essential foreseeable needs of the Agency. At the same time, this goal is to be achieved with utmost economy consistent with security and operational circumstances.
- b. The fulfillment of this policy requires conscientious enforcement of the concepts of responsibility and accountability, the careful planning and conduct of the supply function, and the exercise of sound judgement in recommending and authorizing the disposition of unserviceable and excess materials.

3. UNSERVICEABLE MATERIALS

a. DEFINITION

Supplies and equipment may be considered unserviceable for any of the following reasons:

- (1) Normal wear and tear from authorized use;
- (2) Damage or destruction, or wear and tear caused by misuse, negligence, or willfulness;

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- (3) Deterioration caused by uncontrollable factors to the degree that the material should be condemned as a menace to health or is unusable for its intended function;
- (4) Deficiencies in the specifications of material or discovery of inherent functional inadequacy which preclude its use for its intended function.
- (5) Compromise. When a specific item of property has been compromised and security requires that it be disposed of immediately. In such cases the property will be considered unserviceable-nonrepairable.

b. PROCEDURES

- (1) Accountable Officers shall promptly segregate in the stocks and records all property they consider unserviceable. In the event such examination indicates damage not clearly attributable to normal wear and tear, the responsible officer shall be immediately instructed to submit a Report of Survey. (See [REDACTED])
- (2) Unserviceable material shall further be examined and classified, as either unserviceable-repairable, or unserviceable-nonrepairable.
- (3) Unserviceable-nonrepairable property shall then be entered upon an Inventory Adjustment Report which shall be submitted to the appointing official (official appointing the Accountable Officer) for approval. The Inventory Adjustment Report shall be accompanied by an explanation of the nature and cause of unserviceability and recommendations for its disposition as salvage or scrap.
- (4) Unless the Inventory Adjustment Report is accompanied by a Report of Survey, the appointing official will designate disinterested officials to inspect the property to affirm that the cause of unserviceability is in fact attributable to fair wear and tear or that the property should in fact be condemned because of normal deterioration.
- (5) The appointing official is responsible for approving or disapproving each item on the Inventory Adjustment Report both as to the cause of unserviceability and the disposition thereof. In the event he has any reservations concerning the cause of unserviceability, he shall direct the submission of a Report of Survey. He shall also, in his judgement, direct modifications in the recommended disposal plans. His determination shall constitute authority for disposition, except for regulated material which will be reported, with recommended method of disposition, to the Chief of Logistics, through administrative channels, for disposition instructions.

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- (6) An approved Inventory Adjustment Report is the only proper voucher for dropping accountability for unserviceable-nonrepairable material and for the disposition of the material by sale, destruction, or abandonment.
- (7) Unserviceable-repairable material for which repair facilities are not available will be treated as excess property (see paragraph 4 below).

4. EXCESS PROPERTY

- a. Property may be classified as excess when the quantity on hand is in excess of the needs of the installation concerned or the property is unserviceable but repairable and adequate repair facilities are not available. Property may be excess because of changes in requirements, or because of obsolescence due to substitution of improved equipment.
- b. Excess property shall be reported promptly to the next higher supply echelon. Each echelon in turn shall consider the desirability of repairing unserviceable-repairable property. If repair facilities are not available within the area, the Chief of Logistics shall be advised. Final determination that unserviceable-repairable property should be disposed of as salvage or otherwise will be made by the Chief of Logistics, and instructions by him for disposition constitute proper authority for such disposition. Each echelon shall review reports of excess serviceable material with a view toward redistribution to meet operational requirements. If requirements do not exist in the area, lists of excess property will be referred to the Chief of Logistics for disposition instructions. Instructions for disposition constitute proper authority for disposition.

5. METHODS OF DISPOSITION

The disposition of material will be in accordance with the intent of the Federal Property and Administrative Services Act of 1949 as amended. In the field, the methods of disposition fall into the following general categories listed in order of preference:

a. DISPOSAL THROUGH DEPARTMENT OF DEFENSE FACILITIES

- (1) Excess material which is standard or limited standard nature to the Department of Defense will be disposed of to the extent possible through Department of Defense facilities, as prescribed in current support agreements with the Department of Defense.
- (2) Department of Defense facilities will be used to the extent possible and feasible by local arrangements in disposing of unserviceable-nonrepairable material.

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b. SALE

Material having commercial value may be sold. Three or more bids will be obtained by advertising, security permitting. Material will not be sold when in violation of security requirements; when of a sensitive or hazardous nature; when sale has adverse political implications; or when contrary to U. S. Government policy in the area. Consistent with the provisions of paragraph 2a above, material will not be sold outside the continental limits of the United States, its Territories and possessions, without a written condition clause in the selling instrument forbidding its importation into the United States. Proceeds from the sale of material shall be turned over to the official custodians of Agency funds with the necessary related and supporting documents.

c. DESTRUCTION OR ABANDONMENT

Disposal will be accomplished by destruction or abandonment when material has no resale value; when handling and administrative cost exceeds resale value; or when disposal by the means prescribed in paragraphs a and b above, is precluded by security or other reasons. Usable components for which requirements exist will, to the extent feasible, be removed from the property before destruction or abandonment.

6. DOCUMENTATION

Vouchers reflecting the disposition of material as either unserviceable-nonrepairable or as excess must be supported by a certificate of disposition or destruction evidencing:

- a. Approval of the method of disposition by the heads of [REDACTED] installations, or other appropriate authority;
- b. The actual method of disposal utilized;
- c. That sales proceeds, if any, have been turned over to an Agency finance officer.

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FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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L. K. WHITE
Deputy Director
(Administration)

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